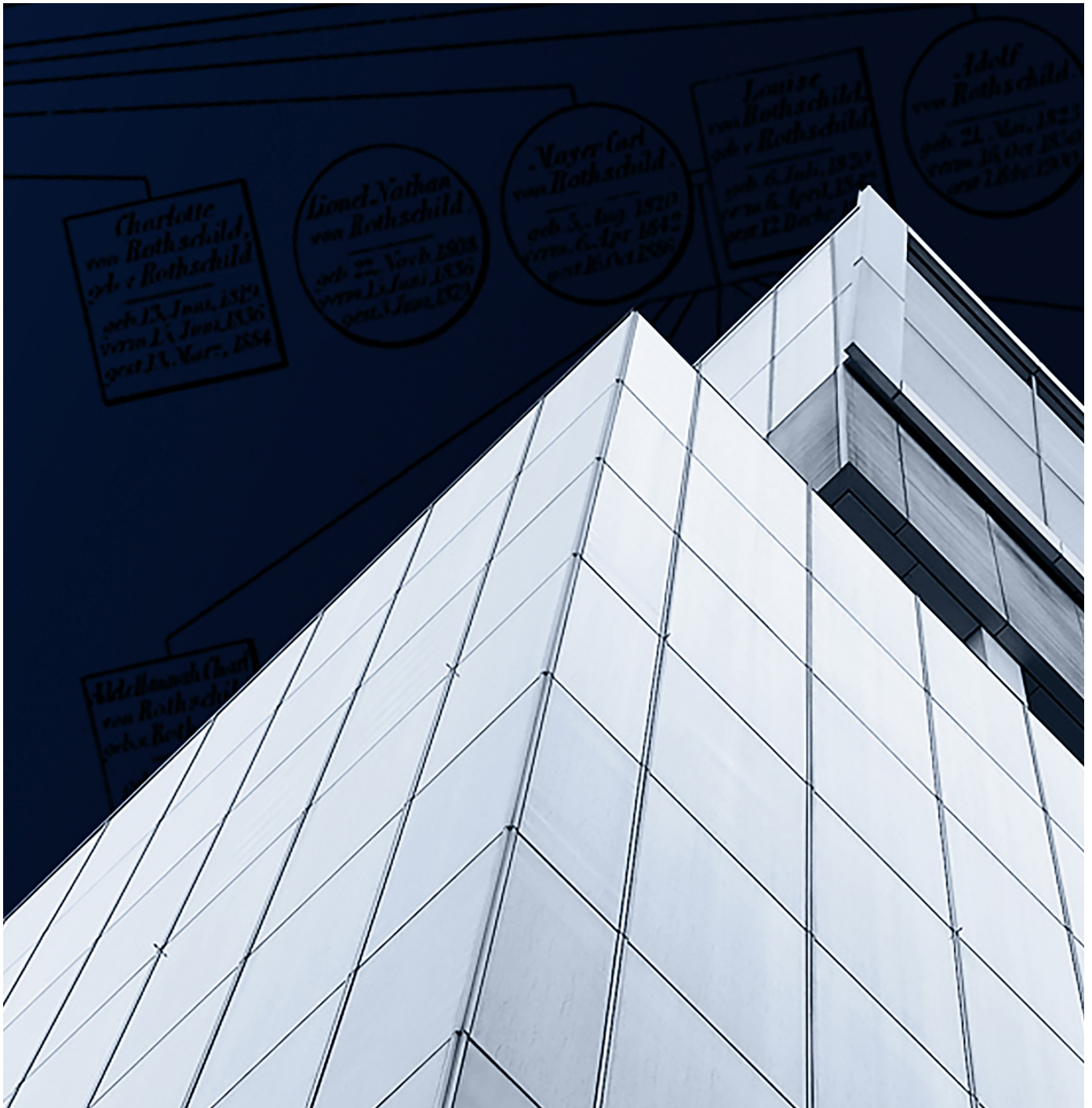




Annual Report on Top 5 Execution Venues and Qualitative Assessment of Execution

Five Arrows Managers LLP

Based on trades executed between 1 January 2019 and 31 December 2019



Qualitative Assessment of Execution

Five Arrows Managers LLP (“FAM LLP” or the “Firm”) is authorised and regulated by the UK Financial Conduct Authority to provide advisory and discretionary investment management services for its clients. The Firm is only authorised to deal with and only deals on behalf of “professional clients” (as defined within MiFID II¹).

MiFID II requires FAM LLP to publish on an annual basis, for each class of financial instrument in which FAM LLP routinely deals, the top five trading counterparties with whom it executes client orders and places client orders for execution. FAM LLP is also obliged to provide information on the quality of execution obtained.

This document outlines the quality of execution achieved by FAM LLP in 2019.

Information concerning execution quality

Execution Factors

FAM LLP prioritises ensuring that all sufficient steps are taken to obtain the best possible result for its clients when it executes, places or transmits orders on their behalf. The Firm seeks to achieve the most favourable terms for each transaction as is reasonably available under the prevailing market conditions. This means that FAM LLP takes into account the execution factors of price, speed, costs, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.

The most common execution factors for bond trades are price, available liquidity and speed of execution. The Firm executes bond trades directly with other market counterparties.

¹ Directive 2014/65/EU (commonly referred to as “MiFID II”)

Note: This FYE 2019 disclosure has been prepared in accordance with the requirements of Commission Delegated Regulation (EU) 2017/576 of 8 June 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards for the annual publication by investment firms of information on the identity of execution venues and on the quality of execution (“RTS 28”).

Top 5 Execution Venues Trading Volumes by Asset Class

Class of Instrument	Debt instruments - Bonds				
Notification if <1 average trade per business day in the previous year	No				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class ⁽¹⁾	Proportion of orders executed as percentage of total in that class	Percentage of passive orders ⁽²⁾	Percentage of aggressive orders ⁽²⁾	Percentage of directed orders ⁽²⁾
Morgan Stanley & Co International Plc (4PQUHN3JPFQFN3BB653)	18.20%	13.75%	Not Applicable	Not Applicable	0%
HSBC Bank Plc (MP615ZYB3U3XPPYF54)	14.92%	8.16%	Not Applicable	Not Applicable	0%
Citigroup Global Markets Limited (XKZZ2JZF41MRHTR1V493)	14.82%	13.99%	Not Applicable	Not Applicable	0%
Barclays Bank Plc (G5GSEF7VJP5170UK5573)	11.24%	18.65%	Not Applicable	Not Applicable	0%
BNP Paribas (R0MUWSFP8M8K5P83)	8.73%	9.58%	Not Applicable	Not Applicable	0%

¹ Volume calculation utilized F/X rates as of 31 December 2019 to convert local currency instrument value to Euro

² Questions and Answers On MiFID II and MiFIR investor protection and intermediaries topics, Best Execution Section, Question 14-Information on passive and aggressive orders in the context of portfolio management and RTO: ‘If a portfolio manager, or a receiver and transmitter of orders, sends an order to an entity for execution (broker), the distinction between passive and aggressive orders as defined in Article 2 of RTS 28 is likely not relevant and will not need to be disclosed in the report to be published in accordance with Article 65(6) of the Delegated Regulation.’

During the price discovery process, FAM LLP generally seeks to obtain quotes from multiple key dealers in order to achieve the best possible result for its clients.

Trading Counterparties

FAM LLP deals only with counterparties on the Firm’s Approved Broker List, which is reviewed and updated periodically to ensure that the Firm’s list of approved trading counterparties enable FAM LLP to obtain the best possible outcome for its clients. The Firm trades with its counterparties on an arm’s length basis.

FAM LLP has no close links to any of trading counterparties that it engages with. The Firm does not receive or make any payments, discounts or rebates, or receive any non-monetary benefits from these parties. FAM LLP may from time to time receive counterparty gifts and entertainment. The conditions for receiving or declining counterparty gifts and entertainment will be subject to compliance policies and procedures.

Execution Monitoring

The Firm’s Compliance function regularly monitors the execution of its clients’ orders so that the Firm can assure itself on an on-going basis that it achieves the best possible result for its clients’ orders. An independent third-party servicer provider surveillance tool assists with conducting this monitoring.

The monitoring completed for the period supported that the Firm achieved best execution consistently and that its internal protocols had been consistently applied.